

FOREIGN POLICY BULLETIN

*An interpretation of current international events
by the Research Staff of the Foreign Policy Association*



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Elections Leave Korea's Future in Doubt

Current developments in Korea are seriously aggravating American-Soviet tension over the future of that country. During the past two and a half years relations between the Soviet authorities in North Korea and American authorities in the South have always been difficult. But the elections of May 10 in the American zone and the North-South political conference which met recently in Pyongyang, capital of the Soviet zone, have served to crystallize matters in a new fashion. For the first time the occupying powers and their Korean allies are formally creating governments which claim power over the entire country, and not simply in one or the other of the two zones.

Background of May 10 Election

As this article is written, the May 10 election returns are not yet available. But the results are hardly in doubt, for the UN-supervised balloting was boycotted by the South Korean Communist-led left wing, by Rightists grouped about Kim Koo, and by Kim Ki-sic's moderates, leaving the field to the dominant, extreme right-wing movement of Syngman Rhee. Attention has therefore centered on the size of the vote, with Leftists using propaganda and force to keep the figure to a minimum, while the American authorities and Rhee's followers, who control the police, have been exerting every effort to make the total as high as possible. First returns state that more than 85 per cent of the registered voters went to the polls.

The meaning of the election is to be found in the background of Soviet-American relations and Korean politics. In 1946 and 1947 unsuccessful American-

Soviet conferences had been held in an effort to implement the general formula on Korea worked out by the Big Three at Moscow in December 1945.* With the failure of the second conference, the United States in October 1947 asked the UN General Assembly to arrange for UN supervision of Korean elections as a prelude to formation of a Korean national government and withdrawal of the occupying forces. The Soviet Union opposed consideration of the Korean issue by the General Assembly. After Korea had been placed on the agenda in spite of Russia's opposition, Moscow asked the General Assembly to consider a proposal for joint Soviet-American withdrawal, and to invite elected representatives of North and South Korea to take part in the discussion. On November 14, in accordance with the United States plan, the General Assembly set up a United Nations Temporary Commission on Korea to supervise elections and subsequent steps toward the withdrawal of troops. Throughout the discussion of the Korean issue the U.S.S.R. refrained from voting as an expression of its opposition to the course adopted at Lake Success.

After surveying conditions in the South and being refused admission to the North by the Russians, the UN commission members voted, five to three, against holding national elections. The majority wished the UN to confine itself to supervising consultative elections for Korean representatives who would have conferred with the UN. In reporting this view to the "Little Assembly" at Lake Success,

*See *Foreign Policy Bulletin*, January 4, 1946.

the commission chairman, K. P. S. Menon of India, was highly critical of the state of civil liberties in both zones of Korea. Through this and other reports it became clear that a number of commission members were skeptical about the possibility of holding anything resembling free elections in Korea. The United States, however, pressed for national elections, even though, as a result of Russia's attitude, balloting could take place only in the South. On February 26 the "Little Assembly" adopted a resolution along the lines proposed by Washington.

Action in the North

Step by step Soviet and Korean authorities in the North have sought to counter American and Korean actions in the South. The latest move was the adoption on May 1 of a constitution claiming jurisdiction over all Korea. The main propaganda stress of the Northern leaders has been on Soviet intentions to withdraw troops and on the undesirability of the May 10 election in the South. Russia's emphasis on troop withdrawal has appealed to many non-Leftist nationalists who, despairing of Soviet-American cooperation in Korea, hope the two powers will at least agree to get out. This reaction became clear in February when the Rightist Kim Koo, former President of the wartime Korean government-in-exile in Chungking, and Kim Ki-sic, then chairman of the Interim Legislative Assembly in the South, proposed a joint meeting of Northern and Southern leaders to discuss unification of the country and creation of a national government.

On March 25 the North Korea radio

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proposed a North-South conference and extended invitations to various Southern leaders, principally Leftists, but also including Kim Koo and Kim Kiuric. The conference, which was held late in April with the two Southern leaders in attendance, passed resolutions voicing bitter opposition to separate elections as promoting division of the country. Later, after their return to the South, Kim Koo and Kim Kiuric expressed satisfaction with the results of the conference.

The Korean internal situation is too in-

volved to be described briefly, but a few generalizations are possible. (1) Available evidence suggests that, for a variety of reasons, a more stable, economic, political and military situation exists in the North than in the South. This means—especially in view of the creation by the Russians of a large Korean armed force in the North—that Moscow may feel in a position to withdraw its forces without losing influence. Such a course might arouse nationalist feeling against the United States, if it continued to occupy the South. (2) In

neither the Soviet nor American zone do prevailing political conditions bear much resemblance to American conceptions of democracy. Allen Raymond in a dispatch from Korea to the *New York Herald Tribune* has acutely compared the leading Korean political forces of the North and South to Tito's Yugoslavia and Franco's Spain, respectively. These generalizations indicate the complexity of the policy problems now confronting the United States in Korea.

LAWRENCE K. ROSINGER

U.S. Gifts to Europe No Substitute for Imports

Testifying on May 6 before the House Ways and Means subcommittee on tariff legislation, Secretary of State Marshall stated that the reciprocal trade agreements program, now in its fourteenth year, is "the cornerstone and keystone of our foreign economic policy." He urged that the Trade Agreements Act,* which expires June 12, be renewed for a period of three years without any crippling amendments. Failure to do this, Marshall warned, "would almost certainly be regarded by other countries not only as a surrender of our leadership in the international economic field, but as a repudiation of much that has been accomplished under our leadership in that field."

In speaking thus, he had in mind such postwar agencies for world economic cooperation as the International Monetary Fund, the World Bank and the proposed International Trade Organization, all of which would be rendered useless were protectionism to be revived in this country. Much more fateful, however, is the blow that would be dealt the European Recovery Program, the success of which is a major premise in our foreign policy. Voted by Congress last month, this measure seeks to restore the productive capacity of Western Europe and thereby make that vital area once again self-supporting. But this goal will not be easily reached, and failure is certain unless the participating countries can find markets abroad for their expanding output. They must export to pay for the food and raw materials which cannot possibly be produced locally in adequate volume. This requires freer world trade, particularly the opportunity

to sell more in the American market—the richest and largest in the world.

Protectionists Advocate Gifts

Opponents of the Reciprocal Trade Agreements Act (RTA) have not undertaken to refute the contention that credits extended to Europe to promote recovery can be repaid only by increased imports into this country. Nor have they opposed, at least openly, the recovery program. Convinced, however, that further tariff concessions under the RTA would undermine the American economy, they have sought to reconcile their aversion to imports and the acknowledged need for European aid by declaring that ERP credits cannot possibly be repaid and should therefore be considered as gifts. From this it follows, they contend, that attempts to build up imports by tariff reductions should be abandoned.

Such a view was originally expressed by Senator Taft in Congressional debates on the \$3.75 billion loan to Britain in 1946, when he advocated an outright gift of \$2 billion or less on the assumption that the problem of repayment by exports to this country could thus be avoided. In the current controversy over renewal of the RTA, protectionists have revived this suggestion. Thus, for example, in his presidential address before the National Association of Wool Manufacturers on May 8, Mr. Arthur Besse asserted that the United States has no need of importing to the extent necessary for full repayment of foreign loans, and should consider ERP credits as gifts.

Freer Trade and ERP

Proponents of freer trade, however, do not deny that gifts are preferable to loans, particularly in the case of those ERP par-

ticipants—Britain especially—which are not likely in the near future to earn sufficient dollar exchange to service their already heavy external obligations. But no nation, they point out, would want to depend indefinitely on the charity of another; in fact, the basic idea underlying the ERP is that American assistance should enable the participants to become in time self-sustaining. To achieve this aim, it is taken for granted that there must be freer world trade, including a much larger volume of imports into the United States. Failing this, the already weakened world economy will undergo further disintegration. Moreover, without strong and expanding economic ties the Western world will find its relative strength, political and otherwise, materially diminished.

Proponents of the trade agreements program are convinced, therefore, that given the present critical state of world affairs, it is the national interest which should govern, and not the claims of this or that industry for continued tariff protection. Economic isolation, it is pointed out, would undermine the European Recovery program; in the process, American foreign policy, lacking unity and continuity, would become ineffective. Nor could the domestic economy remain prosperous; for with the rise of retaliatory trade barriers abroad, our exporting interests—which include a large number of both industrial and agricultural producers—would be deprived of market outlets. The net result would be a decline in employment and income. That is what happened in the 1930's, when this country was even less dependent on foreign trade than it now is. Thus, in the first half of 1947 the United States supplied 34.6 per cent of the products moving in world commerce, compared with 14 per cent in 1938.

HAROLD H. HUTCHESON

*For background see H. H. Hutcheson, "Foreign Trade Policy of the United States," *Foreign Policy Reports*, March 15, 1947; and H. P. Whidden, Jr., "Reciprocal Trade Program and Post-War Reconstruction," *ibid.*, April 1, 1943.

Would Revision of U.N. Serve U.S. Interests?

The hearings which the House Foreign Affairs Committee held on May 4 and 5 on resolutions calling for revision of the UN Charter confront Americans with a fundamental question about the conduct of our foreign policy: Would it best serve the interests of United States to break cleanly all but the most formal contacts between the Eastern and Western world by ending collaboration with Russia in the United Nations, or should this country continue to encourage the development of international co-operation on a world-wide basis? Warren R. Austin, American representative to the UN, told the Foreign Affairs Committee on May 5 that "the most likely result of revision, under the present circumstances, would be the complete destruction of the United Nations . . . and a complete break between the East and the West." Does revision of the UN Charter then, promise to strengthen or weaken us?

The Veto Problem

The dissatisfaction which gives strength to the revisionist movement centers primarily on the veto. Frequent use by the Soviet Union of the veto in the Security Council has created the belief in the United States that Russia exploits the world organization to advance its own interests at the expense of the United States, and has distracted American attention from the positive accomplishments of the UN. But comments by the representative of the Truman administration to the House Foreign Affairs Committee have brought out the contrary opinion that the UN has aided the United States to realize its aims in foreign policy, although American officials have sought to obtain agreement within the UN for limitation on the use of the veto. Secretary of State Marshall, in his statement of May 5 to the committee, criticized the assumption "that the present unsatisfactory state of world affairs is a result of inability on the part of the United Nations to prevent aggression; that this inability arises from the exercise of the veto power." He made the prediction that "when the substance

of the world situation improves, the United Nations will be able to function with full effectiveness."

Marshall supported the UN with a firmness that has been absent from previous administration comments on the same matter. "One nation . . . has consistently obstructed the work of the United Nations by constant abuse of the veto," President Truman himself said to Congress on March 17. But Marshall, on May 5, recalled that "on several occasions negotiations in the United Nations, even during its short history, has postponed fighting long enough to remove the cause for fighting." Although Soviet Foreign Minister Molotov withdrew last July from the Paris conference on the Marshall plan, some officials of the State Department had been content to let the gulf between the Communist East and the Western countries grow increasingly wider. Marshall's statement to the Foreign Affairs Committee committed America to the maintenance of intercourse between the two world communities. "It is a misconception to suppose that differing systems cannot live side by side in peace under the basic rules of international conduct prescribed by the Charter of the United Nations," he said.

Revisionist Program

Dismissing the remarks of Marshall and Austin, the revisionist group in Congress has predicted that the Soviet Union would continue to participate in the UN if the organization were changed to suit its program, although Senator Homer Ferguson, Republican, of Michigan, spokesman of the revisionist group, on April 12 called the resolutions for revision "the new answer to Russia." One resolution provides for the limitation of the veto to questions of actual military aggression (the Administration has sought within the UN to reduce the use of the veto on questions relating to pacific settlement of disputes) and violations of agreements on the use of atomic energy and the limitation of arms; the reconstitution of the Security Council into an agency of ten members, two each for the United States, the United Kingdom

and the U.S.S.R.; one each for France and China, and two for small nations to be elected (the small nations now have six Security Council votes); international control of atomic energy and the establishment of national quotas for the manufacture of arms; and a world police force to be recruited solely from the small nations. The revisionists also sponsor a resolution calling upon the United States to summon a conference for amendment of the Charter along the above lines. Although the Soviet Union could veto proposed amendments, the revisionists count on the strength of world opinion to stay Moscow from such an exercise of the veto. One danger of the revisionist program is that instead of "answering" Russia, it might encourage the Soviet government to form a rival military alliance against us, as Secretary Marshall suggested to the House Foreign Affairs Committee, and prompt Russia to give wholehearted support to the Communists in China to the disadvantage of the United States.

The disclosure on May 11 that the United States, on May 4, had proposed to Russia the opening of discussions on differences between the two countries, and Moscow's favorable reaction to this proposal, indicate that the Washington administration does not intend to close the door to American-Russian negotiations, and is not prepared to take steps that would exclude the U.S.S.R. from the UN.

BLAIR BOLLES

Put Yourself in Marshall's Place, by James P. Warburg. New York, Simon and Schuster, 1948. \$1.00

A useful discussion of the antecedents of the Marshall proposal for a European Recovery Program, with particular reference to our relations with the Soviet Union. Mr. Warburg does not think that the ERP will achieve its ultimate goals "unless it operates in a climate of greatly improved relations between the United States and the Soviet Union." The appendix contains a valuable selection of extracts from pertinent declarations of policy and official documents.

And Call it Peace, by Marshall Knappan. Chicago, University of Chicago, 1947. \$3.00

A book of special interest to educators and church leaders. The author's account of the effect of the Morgenthau plan on Germany is worth noting.

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World Trade Week

Vera Micheles Dean, Research Director of the Foreign Policy Association, will address the Dayton Council on World Affairs on Monday, May 24 at 8 PM, at the Miami Hotel in Dayton. Her subject will be "Can Our Relations with Russia Be Improved?"

During the week preceding Mrs. Dean's visit, the Dayton Council will observe World Trade Week. The World Trade Club of the Chamber of Commerce and the League of Women Voters are promoting this program in co-operation with the United States Chamber of Commerce. The Mercator Club, Rotary Club, Lions Club, and Junior Association of Commerce have invited prominent speakers to discuss the subject of world trade. "Round Trip," a film showing the need for two-way trade, will be shown to high school students, University of Dayton students, and employees of local plants. Neighborhood stores will feature window displays. "Go see" trips are being scheduled by the export departments of Dayton Rubber Company, Frigidaire, National Cash Register, and Standard Register to show Daytonians how dependent they are on trade with other nations. This is one of the many community programs developed as a part of the national program of World Trade Week which has for its motto "World Trade Makes Good Neighbors."

Objectives of the FPA

For thirty years—since November 1918—the Foreign Policy Association has continuously endeavored to maintain an objective educational program in international affairs geared to the needs of the general public. Action groups, pressure organizations, and propaganda drives may be an integral part of democracy, but it has been the policy of the FPA to adhere to nonpartisan, impartial publications and public discussions about foreign policy, and to remain aloof from pressure and action groups. The FPA Board of Directors has felt that individuals and organizations will be more effective in their activities on behalf of worthwhile objectives if they have as their starting point the sound research and balanced public discussions of a national organization whose integrity is universally respected. The FPA has steadfastly adhered to this principle of nonpartisanship. At the same time the FPA wants to make its program interesting to

Association Meetings

BOSTON, May 20, *Annual Meeting*
DETROIT, May 20, *Reciprocal Trade Agreements*, Willard Thorp
PROVIDENCE, May 20, *Our Responsibility in World Affairs*, Vera M. Dean
PITTSBURGH, May 20, *Annual Meeting*
UTICA, May 24, *Rumania Speaks from Behind the Iron Curtain*, Constantin Visoianu, Alexandre Cretzianu, Hal Lehrman
DETROIT, May 25, *Rumania Speaks from Behind the Iron Curtain*, Constantin Visoianu, Alexandre Cretzianu, Hal Lehrman
INDIANAPOLIS, May 26, *Rumania Speaks from Behind the Iron Curtain*, Constantin Visoianu, Alexandre Cretzianu, Hal Lehrman

Summer Institutes

Young people throughout the country will have an opportunity to use part of their summer holiday in learning more about the world in which they will soon become active. The American Friends Service Committee offers the following series of Institutes on International Relations designed exclusively for youth:

OAKLAND, Calif., June 20-29, *Mills College*
PITTSBURGH, Pa., June 26-July 3, *Camp Carondowanna*
WHITTIER, Calif., June 28-July 6, *Parnell School*
HARVARD, Mass., July 18-26, *Barrett Farm*
SPENCER, N. Y., Aug. 8-15, *Ithaca College Camp*
MILFORD, Ind., Aug. 22-29, *Camp Alexander Mack*
HARVARD, Mass., Aug. 25-Sept. 2, *Barrett Farm*
MEDFORD, N. J., Aug. 27-Sept. 3, *Camp Ockanickon*

the general public, and it can usefully borrow from the pressure groups some of their techniques of advertising and promotion. Our own imagination and sense of personal responsibility for world affairs should provide limitless possibilities in developing techniques of education in this field.

New FPA Appointment

On May 3 Mr. Brackett Lewis joined the New York staff of FPA and will be in charge of promotion and finance. Mr. Lewis brings to his work an interesting background which should be most helpful

Argentine President Perón has stated he will not run for a second term in 1952, but his supporters recall that he also disclaimed interest in the Presidency when he was Secretary of Labor. The pro-Perón majority in the Congress has presented an amendment to the constitution which, if accepted, as it surely will be, would allow the President to succeed himself. . . . In April the Chinese National Assembly elected *Generalissimo Chiang Kai-shek* President of China, assigning him extraordinary powers. Against Chiang's opposition, General Li Tsung-jen was elected Vice-President. Li, who is said to have considerable support in provincial circles, ran on a reform platform. . . . Following the assassination on May 1 of Greek Minister of Justice Christos Ladas, some 200 *Greek Leftists* who had taken part in the 1944 Leftist uprising or current guerrilla fighting were executed by the Athens government. The governments of Britain and Denmark asked for explanations of these executions. Washington said there was no indication the United States would join Britain in this move. . . . This month another 5,000 *displaced persons from Europe* will begin life again in Britain. The total number of refugees to whom Britain has given sanctuary since the outbreak of war in 1939 is 325,000. . . .

to the Foreign Policy Association. In 1917 he went to Europe where he served as director of various YMCA's and national director of the Czechoslovak YMCA until 1938. He was engaged in cultural and relief work for Czechoslovakia from 1938 to 1941 and was with the Office of War Information in charge of short-wave broadcasting to Czechoslovakia from 1941 to 1945. Since 1945 he has been director of American Relief for Czechoslovakia, Inc.

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